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RESOLUTION NO. 2009-13

LAFAYETTE COMMON COUNCIL

CINDY MURRAY

**A RESOLUTION CONFIRMING THE
DESIGNATION OF AN ECONOMIC REVITALIZATION AREA
FOR PURPOSES OF TAX ABATEMENT**

COLEMAN CABLE, INC.

WHEREAS, Indiana Code chapter 6-1.1-12.1 allows a partial abatement of property taxes attributable to the rehabilitation or redevelopment of real property and/or the installation of new personal property in an "Economic Revitalization Area;" and

WHEREAS, Indiana Code chapter 6-1.1-12.1 empowers the Common Council to designate Economic Revitalization Areas; and

WHEREAS, the Common Council of the City of Lafayette, Indiana, has designated the Lafayette Redevelopment Commission as the agency to make preliminary investigations, determinations, and recommendations to the Common Council as to what areas should be designated Economic Revitalization Areas; and

WHEREAS, Coleman Cable, Inc. has requested, on July 16, 2009, that real estate named in the attachments to this resolution, which attachments are incorporated herein by reference, be designated as an Economic Revitalization Area for the purpose of achieving real and/or personal property tax savings, specifically real property tax savings in connection with an investment in upgrading real property and personal property tax savings in connection with the installation of new manufacturing equipment, which request has been accompanied by Statements of Benefits for real property improvements and the installation of new manufacturing equipment and other information set forth in said attachments; and

WHEREAS, the Lafayette Redevelopment Commission, on July 27, 2009, by **RESOLUTION LRC-2009-09**, recommended that the area be designated as an Economic Revitalization Area for tax abatement purposes; and

WHEREAS, on the 3rd day of August, 2009, the Common Council adopted **RESOLUTION 2009-12**, hereinafter the declaratory resolution, designating the subject real estate as an Economic Revitalization Area subject to the adoption of a confirming resolution by the Common Council and final public hearing for the receiving of remonstrance and objections from persons interested in whether the subject real estate should be designated as an Economic Revitalization Area and further subject to the terms of the Memorandum of Agreement (MOA) which is attached hereto as Exhibit A; and

WHEREAS, a copy of such declaratory resolution was properly filed with the county assessor and proper legal notices were published indicating the adoption and substance of such preliminary resolution and stating when and where such final public hearing would be held; and

WHEREAS, at such final public hearing, evidence and testimony (along with any written remonstrance and objections previously filed) were considered by the Common Council on the 14th day of September, 2009.

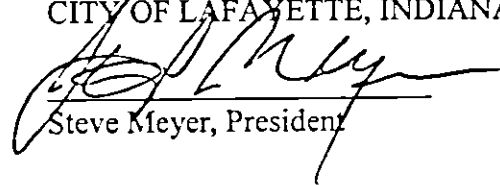
NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF LAFAYETTE THAT:

1. The Common Council finds:
 - A. the subject real estate complies with the statutory criteria for an Economic Revitalization Area; and
 - B. the estimate of the investment in real property improvements for the purposes set forth in this project appear reasonable; and
 - C. the estimate of cost of new manufacturing equipment is reasonable for equipment of this type and projects of this nature; and
 - D. the estimate of the number of individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed real estate improvements and installation of the new manufacturing equipment; and
 - E. the estimate of the annual salaries of those individuals who will be employed or whose employment will be retained can be reasonably expected to result from the proposed improvements in real estate and installation of the new manufacturing equipment; and
 - F. the tax base of the City of Lafayette and all relevant taxing districts can be reasonably expected to increase from the proposed improvements in real estate and installation of new manufacturing equipment; and
 - G. the total benefits are sufficient to justify the deduction.
2. The Common Council now confirms, adopts, and approves this Confirmatory Resolution and thereby designates, finds, and establishes the subject real estate as an Economic Revitalization Area.
3. The Economic Revitalization Area designation terminates ten (10) years after January 1, 2010. The period of deduction for an increase in assessed value resulting from the investment in real property improvements is limited to ten (10) years and that resulting from the installation of new manufacturing equipment is limited to seven (7) years.
4. A Memorandum of Agreement (MOA) has been entered into under the terms and conditions as reached between the applicant and the City of Lafayette for a period during the term of the tax abatement and for a period of two years thereafter.

This Resolution shall be in full force and effect from and after its passage and signing by the Mayor.

PASSED AND ADOPTED BY THE COMMON COUNCIL OF THE CITY OF
LAFAYETTE, INDIANA, on the 14 day of September, 2009.

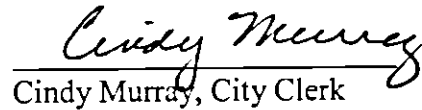
COMMON COUNCIL OF THE
CITY OF LAFAYETTE, INDIANA


Steve Meyer, President

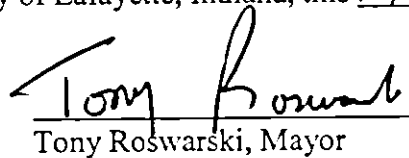
ATTEST:


Cindy Murray, City Clerk

Presented by me to the Mayor of the City of Lafayette this 14 day of September, 2009


Cindy Murray, City Clerk

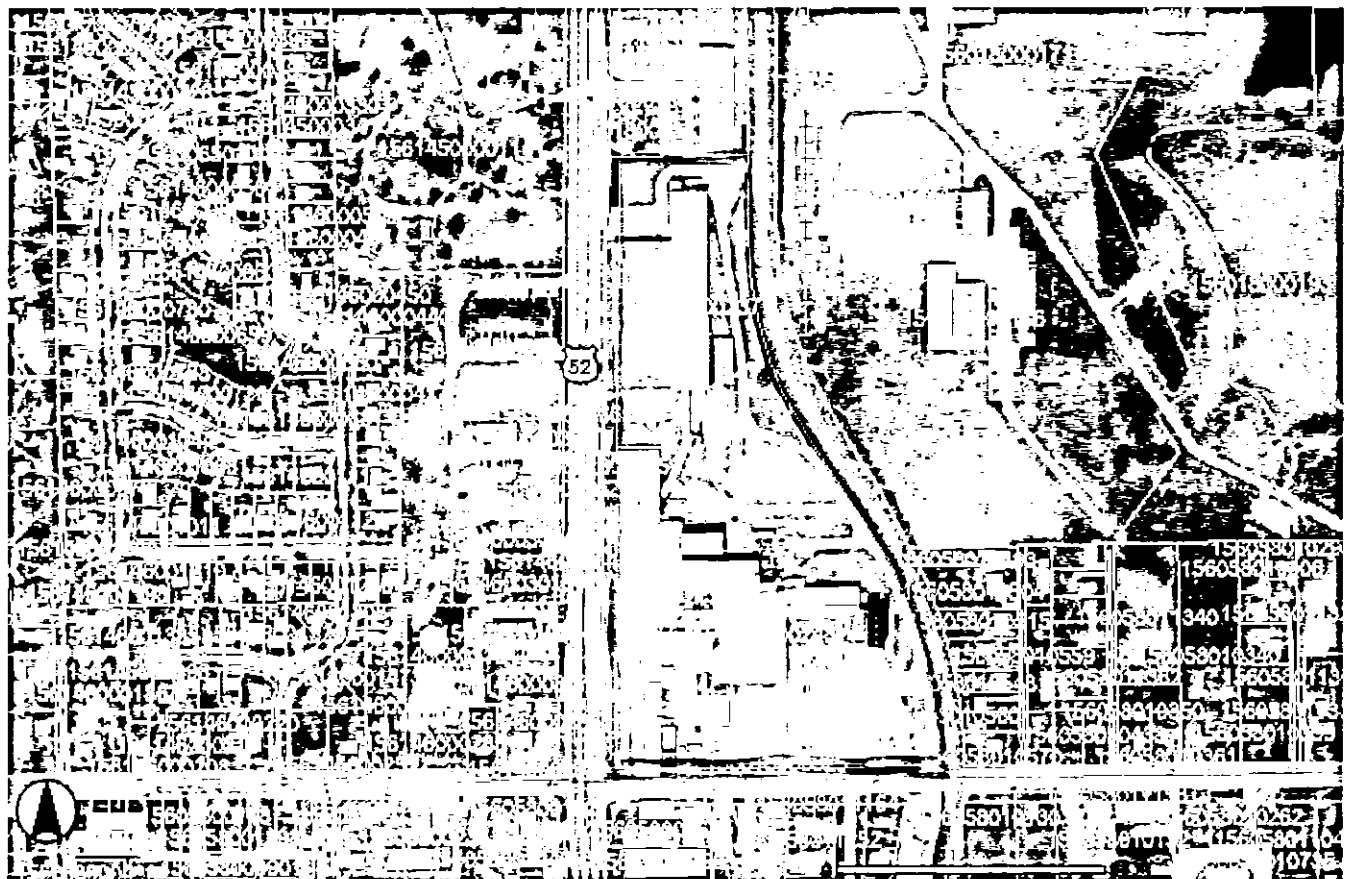
Signed and approved by me, the Mayor of the City of Lafayette, Indiana, this 14 day of
September, 2009.


Tony Roswarski, Mayor

ATTEST:


Cindy Murray, City Clerk

Sponsored by Tony Roswarski, Mayor



ERA

156-01300 - 0237

156-01300 - 0248

CITY OF LAFAYETTE, INDIANA
MEMORANDUM OF AGREEMENT
COLEMAN CABLE, INC.

This Memorandum of Agreement ("Agreement") is dated this 3rd day of August, 2009, and serves as the confirmation of the commitment by Coleman Cable, Inc. (the "Applicant"), pending a public hearing scheduled on the 14 day of September, 2009, to comply with the project description and job creation and retention (and associated wage rates and salaries) figures contained in its designation application; Statement of Benefits; Resolution No. LRC-2009- 09, a resolution of the Lafayette Redevelopment Commission ("Commission") recommending the designation of an Economic Revitalization Area commencing January 1, 2010 and concluding December 31, 2019; Declaratory Resolution No. 2009- 12 adopted by the Lafayette Common Council ("Council"); and Confirming Resolution No. 2009- 13, adopted by the Council and this Agreement ("Commitments").

Section 1. Grant of Abatement.

Subject to the adoption of the deduction approval Resolution by the Council, the City of Lafayette, Indiana ("City") commits to providing a ten (10) year property tax abatement for the Applicant's capital expenditures of approximately two hundred twenty-eight thousand eight hundred twenty-seven (\$228,827) dollars on real estate improvements and a seven (7) year personal property tax abatement for the Applicant's capital expenditures of approximately five million two hundred thirty-eight thousand three hundred five dollars and eighty-one cents (\$5,238,305.81) associated with the installation of new manufacturing equipment ("Project"), approved as part of the Commitments. Coleman Cable, Inc., shall assume responsibility for the redevelopment and the installation of the new manufacturing equipment and for compliance with the Statement of Benefits. The project will retain 73 permanent positions and create 7 permanent positions. The capital expenditures for the Project shall occur no later than the estimated completion date of December 31, 2010 as contained in the Statement of Benefits Form ("Commitment Date").

Section 2. Annual Information.

During the term of the tax abatement and for a period of two (2) years thereafter, the City or its authorized agent may annually request information from the Applicant concerning the nature of the Project and the approved capital expenditures for the Project and the Applicant shall provide the City with adequate written evidence thereof within 15 days of such request ("Annual Survey"). The City shall utilize this information and the information required to be filed by the Applicant in the CF-1 Compliance with the Statement of Benefits form to verify that the Applicant has complied with the commitments contained in the Commitments at all times after the Commitment Date and during the duration of the tax abatement. The applicant further agrees to provide the City with such additional information requested by the City related to the information provided in the Annual Survey and the CF-1 form within a reasonable time following any such request.

Section 3. Termination.

A. Right to Terminate. The city, by and through the Council, after recommendation by the Commission, reserves the right to terminate the real and/or personal property tax abatement deductions if it determines that the Applicant has not made reasonable efforts to substantially comply with all of the Commitments and the Applicant's failure to substantially comply with the Commitments was not due to factors beyond its control.

B. Factors Beyond Control. As used in this Agreement, factors beyond the control of the Applicant shall only include factors not reasonably foreseeable at the time of the designation application and submission of Statement of Benefits which are not caused by any act or omission of the Applicant and which materially and adversely affect the ability of the Applicant to substantially comply with the Agreement. New technological developments and process improvements may also be included as factors beyond of the control of the applicant.

C. Repayment Upon Termination: The City, by and through the Council, after recommendation by the Commission, may terminate the tax abatement deductions and if the new manufacturing equipment is removed from the City of Lafayette, the City may require the Applicant to repay all or a pro-rata share depending on the length of the abatement granted and when such action is taken of the personal property tax abatement savings received through the date of such termination; pursuant to Resolution 2004-22 of the City of Lafayette; provided, however, that the manufacturing equipment may be removed by the Applicant for the purpose of a model change, technological or process improvement, or if the equipment is replaced with comparable equipment.

D. Notice of Termination and Repayment. In the event that the City determines that the tax abatement deductions should be terminated or that all or part of the tax abatement savings should be repaid, it will give the Applicant notice of such determination, including a written statement calculating the amount due from the Applicant, and will provide the Applicant with an opportunity to meet with the City's designated representatives to show cause why the abatement should not be terminated and/or the tax benefits repaid. Such notice shall state the names of the person with whom the Applicant may meet and will provide that the Applicant shall have thirty (30) days from the date of such notice to arrange such meeting and to provide its evidence concerning why the abatement termination and/or tax benefits repayment should not occur. If, after giving such notice and receiving such evidence, if any, the City determines that the abatement termination and/or tax benefits repayment action is proper, the Applicant shall be provided with written notice and a hearing before the Council before any final action shall be taken terminating the abatement and/or requiring repayment of tax benefits. If the Council adopts a resolution terminating the tax abatement and/or requiring repayment of tax benefits, the Applicant shall be entitled to appeal that determination to a Tippecanoe County Superior or Circuit Court.

E. Time of Repayment. In the event that the City requires repayment of the tax abatement benefits as provided hereunder, it shall provide Applicant with a written statement calculating the amount due ("Statement"), and the Applicant shall make such repayment to the City within thirty (30) days of the date of delivery of the Statement,

unless such repayment has been stayed pending an appeal. If the Applicant does not make timely repayment, the City shall be entitled to all reasonable costs and attorneys fees incurred in the enforcement and collection of the tax abatement savings required to be repaid hereunder.

Section 4. Tax Increment Financing (TIF). The Lafayette Redevelopment Commission has agreed to provide Tax Increment Financing (TIF) funds for job training related to the new positions created and costs associated with the relocation of the manufacturing equipment. In the event the tax abatement deductions are terminated pursuant to Section 3 or the company does not make a meaningful or good faith effort to comply with Section 5 or any other provision of this Agreement, the Applicant agrees to repay to the City any such TIF funds received within thirty (30) days of the termination. If the Applicant does not make timely repayment, the City shall be entitled to all reasonable costs and attorneys fees incurred in the enforcement and collection of the TIF funds required to be repaid hereunder.

Section 5. Use of Local Suppliers and Contractors for Project and Local Persons to Fill Positions Created by Project. The Applicant agrees to make a meaningful, good-faith effort to use local suppliers, local contractors and/or those who pay the Common Construction Wage for the Project.

Local suppliers and local contractors are defined as contractors and suppliers that are primarily engaged, reside in or have their principal office in Tippecanoe County or employ a significant number of residents of the City of Lafayette.

Those who pay the Common Construction Wage are defined as contractors that pay wages equal to or greater than the prevailing wages set by the City of Lafayette Common Construction Wage Panel at its most recent wage meeting or as defined by the Indiana Department of Labor.

Additionally, applicant agrees to make a meaningful, good-faith effort to hire qualified individuals who are residents of the City of Lafayette for the new positions that will be created by the Project.

Section 6. General Provisions.

A. This Agreement contains the entire understanding between the City and the Applicant with respect to the subject matter hereof, and supersedes all prior and contemporaneous agreements and understandings, inducements, and conditions, express or implied, oral or written, except as herein contained. This Agreement may not be modified or amended other than by an agreement in writing signed by the City and Applicant. The Applicant understands that any and all filings required to be made or actions required to be taken to initiate or maintain the tax abatement are solely the responsibility of the Applicant.

B. Neither the failure nor any delay on the part of the City to exercise any right, remedy, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege preclude any other or further exercise of the same or of any other right, remedy, power or privilege with respect to any occurrence or be construed as a waiver of such right, remedy, power or privilege with respect to any other occurrence. No waiver shall be effective unless it is in writing and is signed by the party asserted to have granted such waiver.

C. This Agreement and all questions relating to its validity, interpretation, performance and enforcement shall be governed by the laws and decisions of the courts of the State of Indiana, without regard to conflict of law principles.

D. The Applicant hereby irrevocably consents to the jurisdiction of the Courts of the State of Indiana and of the Tippecanoe County Circuit or Superior Court in connection with any action or proceeding arising out of or relating to this Agreement or any documents or instrument delivered with respect to any of the obligations hereunder, and any action relating to this Agreement or any documents or instruments delivered with

respect to any of the obligations hereunder, and any action related to this Agreement shall be brought in such County an in such Court.

E. All notices, requests, demands, and other communications required or permitted under this Agreement shall be in writing and shall be deemed to have been received when delivered by hand or by facsimile (with confirmation by registered or certified mail) or on the third business day following the mailing, by registered or certified mail, postage prepaid, return receipt requested, thereof, addressed as set forth below:

If to Applicant: Coleman Cable, Inc.
3400 Union Street
Lafayette, IN 47905
Attn: Kevin M Porath, Director, HR

If to City: City of Lafayette, Indiana
20 N. 6th Street
Lafayette, Indiana 47901
Attn: Dennis H. Carson, Director of Redevelopment

F. This Agreement shall be binding upon and inure to the benefit of the City and the Applicant and their successors and assigns, except that no party may assign or transfer its rights or obligations under this Agreement without the prior written consent of the other party hereto, which consent shall not be unreasonably withheld.

G. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original as against any party whose signature appears thereon, and all of which together shall constitute one and the same instrument. By executing this Agreement, each person so executing affirms that he or she has been duly authorized to execute this Agreement on behalf of such party and that this Agreement constitutes a valid and binding obligation of such party.

H. The provisions of this Agreement and of each section or other subdivision herein are independent of and separable from each other, and no provisions shall be effected or rendered invalid or unenforceable by virtue of the fact that for any reason any

other or others of them may be invalid or unenforceable in whole or in part unless this Agreement is rendered totally unenforceable thereby.

I. No official, director, officer, employee or agent of the City shall be charged personally by the Applicant, its employees or agents with any liabilities or expenses of defense or be held personally liable to the Applicant under any term or provision of this Agreement or because of the execution by such party of this Agreement or because of any default by such party hereunder.

J. The Parties hereto agree to treat, and to cause their respective directors, officers, employees and agents to treat, as strictly confidential to the fullest extent permitted by law (including the Federal Freedom of Information Act, and any counterpart Indiana statutes), the contents of this Agreement and all attachments hereto, all documents executed in connection herewith and all information provided by or to the Parties in connection herewith.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Applicant

Coleman Cable, Inc.

By: Richard N. Burgen

Printed: RICHARD N. BURGEN

Title: EVF/KFJ

City

City of Lafayette, Indiana

By: Steve Meyer
Steve Meyer, President,
Common Council

Attest: Cindy Murray
Cindy Murray, City Clerk

CITY OF LAFAYETTE

Redevelopment Department
Community Development Department

20 North 6th Street • Lafayette, Indiana 47901-1412
Phone 765-807-1090 • FAX 765-807-1099

MEMO

To: Lafayette City Council
Cindy Murray, Clerk

CC:

From: Dennis H. Carson, Director
Redevelopment Department

RE: Recommendation to confirm the designation of an Economic Revitalization Area for the
Purposes of Tax Abatement, Coleman Cable

Date: August 11, 2009

Coleman Cable, Inc. is requesting Tax Abatement for a ten (10) year period on an investment of \$228,827 in real estate improvements and for a seven (7) year period on an investment of \$5,238,305.81 in new manufacturing equipment in its plant at 3400 Union Street Lafayette, Indiana 47905. None of this latter investment will replace already existing manufacturing equipment. The company will add seven (7) new employees and will retain its present seventy-three (73) employees. This is the company's first request for tax abatement from the City.

Designation of a new Economic Revitalization Area (ERA) is also being requested. This will be for a period of years (10) years beginning January 1, 2009. It will end on December 31, 2018.

Previous to this, a predecessor of this company, Essex Group, Inc., received ten (10) years of tax abatement for the installation of new manufacturing equipment valued at \$10,345,000 on April 4, 1994. After Essex was purchased by Copperfield, Coleman Cable, Inc, its parent company assumed its name as the name of the company.

Now Coleman Cable, Inc., using the same facilities, is upgrading the manufacturing facility and installing bare wire fabricating equipment for electrical wire products. Salaries for production employees average about the county level (\$16.05) if benefits are included: health insurance (75%), life insurance (100%), Vacation (10 min X the # of days worked), and retirement (50%). The project will not be technology based, and it is estimated that 95% of the product made will be sold outside of the 8-county region. The equipment is new manufacturing equipment.

RECOMMENDATION: Designation of an ERA for 10 years, a 10-year Tax Abatement for real estate improvements, and a 7-year Tax Abatement on new manufacturing equipment.





Redevelopment Department
Community Development Department

20 North 6th Street • Lafayette, Indiana 47901-1412
Phone 765-807-1090 • FAX 765-807-1099

MEMO

To: Lafayette City Council
Cindy Murray, Clerk

CC:

From: Dennis H. Carson, Director
Redevelopment Department

RE: Recommendation to confirm the designation of an Economic Revitalization Area for the Purposes of Tax Abatement, Coleman Cable

Date: August 11, 2009

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